

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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BILL DRAFT 2007-RBz-39A [v.3] (04/28)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
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Short Title: Reports by Publicly Traded Partnerships.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED

AN ACT TO REQUIRE PUBLICLY TRADED PARTNERSHIPS TO GIVE THE
DEPARTMENT OF REVENUE A LIST OF THE PARTNERS WHO RECEIVED
MORE THAN FIVE HUNDRED DOLLARS OF INCOME FROM THE
PARTNERSHIP.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-154 reads as rewritten:

"§ 105-154. Information at the source returns.

(a) Repealed by Session Laws 1993, c. 354, s. 14.

(b) Information Returns of Payers. – A person who is a resident of this State, has a place of business in this State, or has an employee, an agent, or another representative in any capacity in this State shall file an information return as required by the Secretary if the person directly or indirectly pays or controls the payment of any income to any taxpayer. The return shall contain all information required by the Secretary. The filing of any return in compliance with this section by a foreign corporation is not evidence that the corporation is doing business in this State.

(c) Information Returns of Partnerships. – A partnership doing business in this State and required to file a return under the Code shall file an information return with the Secretary. A partnership that the Secretary believes to be doing business in this State and to be required to file a return under the Code shall file an information return when requested to do so by the Secretary. The information return shall contain all information required by the Secretary. It shall state specifically the items of the partnership's gross income, the deductions allowed under the Code, and the adjustments required by this Part. The information return shall also include the name and address of each person who would be entitled to share in the partnership's net income, if distributable, and the amount each person's distributive share would be. The information return shall specify the part of each person's distributive share of the net income that represents corporation

1 dividends. The information return shall be signed by one of the partners under
2 affirmation in the form required by the Secretary.

3 A partnership that files an information return under this subsection shall furnish to
4 each person who would be entitled to share in the partnership's net income, if
5 distributable, any information necessary for that person to properly file a State income
6 tax return. The information shall be in the form prescribed by the Secretary and must be
7 furnished on or before the due date of the information return.

8 (d) Payment of Tax on Behalf of Nonresident Owner or Partner. – If a business
9 conducted in this State is owned by a nonresident individual or by a partnership having
10 one or more nonresident members, the manager of the business shall report the earnings
11 of the business in this State, the distributive share of the income of each nonresident
12 owner or partner, and any other information required by the Secretary. The manager of
13 the business shall pay with the return the tax on each nonresident owner or partner's
14 share of the income computed at the rate levied on individuals under G.S.
15 105-134.2(a)(3). The business may deduct the payment for each nonresident owner or
16 partner from the owner or partner's distributive share of the profits of the business in
17 this State. If the nonresident partner is not an individual and the partner has executed an
18 affirmation that the partner will pay the tax with its corporate, partnership, trust, or
19 estate income tax return, the manager of the business is not required to pay the tax on
20 the partner's share. In this case, the manager shall include a copy of the affirmation with
21 the report required by this subsection.

22 (e) Publicly Traded Partnership. – A partnership that qualifies as a publicly
23 traded partnership under section 7704(c) of the Code is subject to this subsection and is
24 not subject to subsection (d) of this section. The manager of a publicly traded
25 partnership must file an annual information return with the Secretary. The return must
26 be in the form prescribed by the Secretary, must list the name, address, and taxpayer
27 identification number of each partner who received more than five hundred dollars
28 (\$500.00) of income from the partnership during the tax year, and must contain any
29 other information required by the Secretary. The return is due by the date specified by
30 the Secretary."

31 **SECTION 2.** This act is effective for taxable years beginning on or after
32 January 1, 2008.